



INDUSTRY CIRCULAR

DEPARTMENT OF
THE TREASURY

Bureau of Alcohol, Tobacco and Firearms

Washington, D.C. 20226

Number: 75-6

Date: March 28, 1975

IMPORTATION OF ETHYL ALCOHOL FOR INDUSTRIAL PURPOSES

Bonded Dealers and Users of Specially
Denatured Alcohol and Others Concerned:

Purpose. This circular is to advise all persons involved in the receipt and use of denatured alcohol and articles containing such alcohol that the addition of denaturants to ethyl alcohol prior to importation does not free the resultant mixture from the application of the internal revenue tax imposed by 26 U.S.C. 5001(a) or from the provisions of 26 U.S.C. 5232 in regard to receipt, storage, and disposition of distilled spirits when such material is released from customs custody.

Background. It has come to the attention of this Bureau that several lots of ethyl alcohol containing certain denaturants have been improperly imported into the United States. The importation came about because of shortages in denatured alcohol in the United States and through an erroneous understanding of the law in regard to the importation of mixtures that include ethyl alcohol. The error arose through the misconception that ethyl alcohol which may be unfit for human consumption because of the addition of denaturants in quantities prescribed for denatured alcohol in another country could be admitted into the United States as a chemical compound, free of the restrictions placed on distilled spirits. The statutes in regard to the importation of mixtures that include ethyl alcohol, do not provide such exclusion.

Statutory Requirements. Under the provisions of 26 U.S.C. 5001(a)(1) and (a)(2) there is imposed an internal revenue tax of \$10.50 on each proof gallon (or wine gallon when below proof) on all distilled spirits imported into the United States. The term "distilled spirits" is defined under 26 U.S.C. 5002(a)(6)(A) as that substance known as ethyl alcohol, ethanol, or spirits of wine, including all dilutions and mixtures thereof. Therefore, the term distilled spirits includes ethyl alcohol which contains other substances including materials generally recognized as denaturants. Such mixtures may be withdrawn from customs custody only by payment of the tax imposed by 26 U.S.C. 5001(a) or, if eligible, by transfer in bond to the premises of a qualified distilled spirits plant, without payment of tax, under the provisions of 26 U.S.C. 5232.

Inquiries. Inquiries concerning this circular should refer to its number and be addressed to the Assistant Director, Regulatory Enforcement, Bureau of Alcohol, Tobacco and Firearms, 1200 Pennsylvania Avenue, N. W., Washington, D. C. 20226.

Rex D. Davis

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